



**Frederick County  
Government  
Frederick, Maryland**

## *News Release*

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### **COMMISSIONERS TO EXPLORE OPTIONS IN PRIVATIZING COUNTY NURSING HOME AND ASSISTED LIVING FACILITY**

FREDERICK, MD – The Frederick Board of County Commissioners today directed staff to explore options available to privatize the operations of the Citizens Care and Rehabilitation Center/Montevue Assisted Living (CCRC/MAL) facility in order to eliminate the county's General Fund subsidy in the FY2014 base budget and beyond. County Manager Lori Depies, CPA, recommended that the board use the request proposal process to obtain the best possible opportunity for privatization.

“Ever since the first day this board took office, we have been taking actions to reduce the structural deficit in the budget. With the projected structural deficit for FY2014 before us, we are taking a look at what our taxpayers would consider the ‘core functions’ of Frederick County Government. Add to that the increasing service costs and possible cuts to the Medicaid and Medicare revenues, and we are forced to discuss the viability of being involved in the nursing care business.

“The residents and families are currently well served by the outstanding staff and volunteers at this beautiful new facility and that is not in question. But, the contract for the company managing the nursing home and assisted living facility is due to expire June 30, 2013, so now is an opportune time to explore the options to privatize. Many past boards of county commissioners have raised concerns about the subsidies for these facilities, and now the majority of this board wishes to take proactive steps in considering our options for the future. Our taxpayers deserve to know what the options are and we will be the first board to take that action and bring some predictability, stability and conclusion to the issue,” commented Board President Blaine Young.

(more)

The board agreed to explore privatization options for CCRC/MAL through use of a broker who specializes in assisted living and skilled nursing facility mergers and acquisitions. The request for proposals would explore all options in terms of management and/or sale of the facility, with awareness of the county's responsibility with regard to the Montevue Assisted Living mission.

The commissioners considered several options during their worksession, including: 1) a return to the original operation model for both facilities, where the management team and nursing and support staff are county employees; 2) continuation of the hiring of third party management, as is currently in operation; 3) establishment of a Public Benefit Corporation with a governing board, and 4) a complete sale and privatization of the facility.

Privatization could take the form of either a sale of the operations and a lease of the real property and facility or a complete sale of both the operations and real property and facility. The goal in any arrangement is to permanently eliminate the General Fund subsidy to CCRC/MAL from future budgets.

For further information, contact Ms. Depies at 301-600-3190 or via e-mail at [ldepies@FrederickCountyMD.gov](mailto:ldepies@FrederickCountyMD.gov).

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